

# Cabo Verde - Private Sector Development

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# Overview

## Identification

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**COUNTRY**

Cabo Verde

**EVALUATION TITLE**

Private Sector Development

**EVALUATION TYPE**

Independent Impact Evaluation

**ID NUMBER**

DDI-MCC-CPV-IND-PSD-2010-v1

## Version

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**VERSION DESCRIPTION**

Not applicable to this evaluation; no quantitative data to be shared

## Overview

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**ABSTRACT**

The objective of the Private Sector Development Project activities of the 2005-2010 Cabo Verde Compact was to support Cabo Verde's long-term economic transformation strategy of becoming less dependent on remittances and donor aid by developing a competitive, private-sector driven economy through a focus on the priority sectors.

The Private Sector Development Project included the following two Activities:

- 1) Partnership to Mobilize Investment Activity: Designed to remove constraints to investment and stimulate the priority sectors of the economy by reducing early-stage project development risks that dissuade both domestic and international private investors.
- 2) Financial Sector Reform Activity: Designed to increase access to financial services and improve financial intermediation by expanding access to the primary market for government securities. The Financial Sector Reform Activity consisted of two sub-activities with the following objectives: a) to increase access to credit by supporting the development of micro-finance institutions and b) to increase financial intermediation by expanding access to the primary market for government securities.

In order to achieve the Financial Sector Reform objectives, MCC funding supported:

- 1) Expansion of Access to the Primary Market for Government Securities: This sub-activity supported financial sector competitiveness by enabling domestic, non-bank investors, including individuals and corporations, to access the primary market for government securities. It is expected that this activity will assist in creating a more transparent market. Specifically, MCC funding supported a) technical assistance to the Ministry of Finance to assist with the development of new auction procedures and related matters such as the design of a registry of ownership and the role of financial intermediaries; and b) the provision of software to support the primary government securities market.
- 2) Development of Micro Finance Institutions (MFIs): This sub-activity focused on transitioning MFIs to being both deposit-takers and regulated entities and enabling them to become more significant providers of credit, savings, and other financial services to both rural residents and the urban poor. Specifically, MCC funding a) supported technical assistance to assist MFIs to take advantage of expanded deposit-taking powers and to ease the transition to a new regulatory environment (e.g., defining governance structure and institutional policies, design and pricing of liability products, asset liability management and tracking, marketing, and regulatory reporting requirements, etc.); and b) provided software to support the record-keeping associated with those deposit-taking powers.

This report evaluates the development of organizational and human capacities MFI financial intermediation services intended to ensure a continuous and sustainable provision of financial services to groups not covered by traditional credit lending institutions. The report draws on a i) comprehensive review of the literature, b) in-depth interviews with targeted MFI

managers and c) focus group sessions and semi-structured interviews with the beneficiaries of the agricultural credit.

The report also evaluates the effects of training on the Cabo Verde Federation of Micro Finance institutions (FAM-F); an umbrella organization designed to promote the growth, consolidation and integration of the micro-finance industry in the overall financial system.

## EVALUATION METHODOLOGY

Other (Performance Evaluation)

## UNITS OF ANALYSIS

Multilateral financial institutions, individuals

## KIND OF DATA

Other

## TOPICS

Topic	Vocabulary	URI
Capacity Building and Institutional Development	MCC Sector	

## KEYWORDS

private sector, capacity building, finance

## UNIVERSE

Multilateral financial institutions

## Producers and Sponsors

### PRIMARY INVESTIGATOR(S)

Name	Affiliation
Ágüido Cabral	

### FUNDING

Name	Abbreviation	Role
Millennium Challenge Corporation	MCC	

## Metadata Production

### METADATA PRODUCED BY

Name	Abbreviation	Affiliation	Role
Millennium Challenge Corporation	MCC		Metadata Producer

### DATE OF METADATA PRODUCTION

2014-10-16

### DDI DOCUMENT VERSION

Version 1.0 (October 2014)

### DDI DOCUMENT ID

DDI-MCC-CPV-IND-PSD-2010-v1

## MCC Compact and Program

### COMPACT OR THRESHOLD

Cabo Verde

**PROGRAM**

The aim of this report is to present the impact evaluation results of actions undertaken under the MCA-CV Private Sector Development Project, whose priorities are translated into the following actions: i) training and capacity building of MFIs, ii) strengthening the capabilities of FAM-F, iii) improving the legal / regulatory framework for the sector, and iv) structuring of a credit fund for agricultural operators in the watersheds of Mosteiros Monasteries, Fajã and Paúl. Information / data collection was conducted using the instruments/tools of both qualitative and quantitative methods, including: i) literature review; ii) in-depth interviews with actors of target MFI, iii) structured survey of agricultural credit to beneficiaries; iv) focus group sessions with the beneficiaries of the agricultural credit, and v) semi-structured interviews with beneficiaries of agricultural credit.

**MCC SECTOR**

Capacity Building and Institutional Development (Cap Bldg & Inst Dev)

**PROGRAM LOGIC**

The project aimed to reinforce the country's economic transformation in the long run by implementing a set of integrated measures to promote and develop private sector, strengthen capacity to mobilize partnerships for investment and improve institutional and organizational capacities of financial intermediation at the micro level.

**PROGRAM PARTICIPANTS**

Targeted businesses and multilateral financial institutions

# Sampling

## Study Population

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Multilateral financial insitutions

# Questionnaires

## Overview

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To collect information from MFIs a structured questionnaire was prepared and submitted to the institutions to be filled in. However, given the delay and the unavailability showed, it was decided as a matter of time management, to use the questionnaire as a guide for in-depth interviews conducted with the managers of the five target MFIs.

## Data Collection

### Data Collection Dates

Start	End	Cycle
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# Data Processing

No content available



## Data Appraisal

No content available